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SUBJECT: EMBASSY MINSK WEEKLY POL/ECON REPORT - February 22, 2008
11. The following are brief items of interest compiled by Embassy
Minsk.
TABLE OF CONTENTS
Civil Society
- Small Businessmen Fined and Jailed (para. 2)
- Opposition Youth Expelled From University (para. 3)
- Malady Front Activists Briefly Detained (para. 4)
- Opposition Faces Harassment in Gomel (para. 5)
- Opposition to Document Politically Motivated Trials (para. 6)
International Relations
-----
- Chavez Cancels Belarus Trip (para. 7)
Domestic Economy
-----
- Nuclear Plant Construction to Begin Next January (para. 8)
- GOB Announces Investment Targets (para. 9)
International Trade
- Gas Price Hikes to Average 25.3 Percent for 2008 (para. 10)
Quote of the Week (para. 11)
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Civil Society
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12. Small Businessmen Fined and Jailed

An Uzda district court February 19 sentenced entrepreneur activist Viktor Krival to 15 days in jail for illegal leaflet distribution. The police briefly detained Krival February 16 in central Uzda and searched his car. He was taken into police custody February 17 just one day ahead of a planned entrepreneurs' demonstration in Minsk. The activist began a hunger strike protesting groundless prosecution, failure of witnesses to testify he was distributing leaflets, poor jail conditions, and the judge's refusal to hear his case in Belarusian. In a separate incident, a Baranovichi city court fined small business leader Nikolay Chernoyus BYR 1,010,000 (USD 470) February 19 on charges of organizing an unsanctioned rally of entrepreneurs in Baranovichi February 11.

13. Opposition Youth Expelled From University

Belarus State University expelled prominent opposition youth and Belarusian Popular Front member Franak Vyachorka February 15. A third-year student majoring in journalism, Vyachorka allegedly failed to pass two exams following a jail term for using obscenities in public. Vyachorka called his expulsion "politically motivated" and plans to appeal. The dean of the journalism department asserted that Vyachorka's "poor performance" was the sole reason for his expulsion.

14. Malady Front Activists Briefly Detained

Police briefly detained 31 Malady Front (MF) activists in Minsk February 16. Officers broke into the private house activists rented to hold a meeting, and transported the youths to a Minsk district police station for an ID check. Authorities questioned each activist on the pretext that police had information that the youths were planning to set the house on fire. The activists were released later without charges.

15. Opposition Faces Harassment in Gomel

"For Freedom" (FF) movement leader Aleksandr Milinkevich held three open-air meetings with Gomel residents February 15. Ideology and BKGB officers closely observed and filmed the meetings and questioned some participants about their absence from work. Milinkevich expressed satisfaction with the meetings, saying the people he met "overcame their fear" and raised concerns about social benefits, price regulations, and labor contracts. He also held meetings in Rechitsa February 16. Ahead of the meetings, a Gomel district court February 14 sentenced FF activist Pyotr Kuznetsov to 5 days in jail for organizing unsanctioned events and distributing leaflets about Milinkevich's visit. Authorities harassed Milinkevich throughout his trip. During his visit to Gomel, police briefly stopped his car alleging the vehicle was stolen. In Rechitsa police interfered with meetings, checking participants'

MINSK 00000132 002 OF 003

IDs, and warning Milinkevich about making anti-government statements. He departed Rechitsa under police escort.

16. Opposition to Document Politically Motivated Trials

Opposition activist Larisa Nasonovich told the media February 18 that opposition members have started a "grey book" to document in detail illegal, politically motivated trials against democratic forces. The book will include the names of judges, prosecutors, and witnesses, and reflect information about the persecution of democratic activists. Nasonovich maintained the book would serve as a reminder to officials that they "have to be held accountable for their illegal acts." She also noted that bureaucrats and law-enforcement officials are generally "afraid of publicity," and the book will be "an efficient method" to expose their abuses.

International Relations

17. Chavez Cancels Belarus Trip

The Venezuelan Embassy in Minsk announced February 14 that President Hugo Chavez has cancelled his planned March official visit to Belarus, and made no mention of when it will be rescheduled. Ties between Minsk and Caracas have gradually been expanding -- Chavez visited Belarus in July 2006 and June 2007, and Aleksandr Lukashenko traveled to Venezuela in December 2007. Those meetings resulted in the signing of several bilateral agreements in the areas of military technical cooperation, developing trade and economic relations, mutual protection and encouragement of investments, cooperation in crime prevention, cooperation in education and scientific research, and visa free travel.

Domestic Economy

First Deputy Prime Minister Vladimir Semashko announced February 15 that Belarus plans to begin construction of a 2,000 megawatt nuclear power plant in January 2009. The USD 4 billion plant is expected to be launched in 2016 and will purportedly save Belarus USD 5 billion annually in energy costs. In April the government will decide on the location of the plant and will name equipment suppliers in late 12008. Belarus will need to invite foreign specialists, since training of local personnel is behind schedule.

19. GOB Announces Investment Targets

On February 15, the GOB passed Resolution 178, which sets mandatory investment attraction targets for its agencies and local governments. The total investment goal for the country in 2008 is USD 2.7 billion, including USD 1.4 billion in foreign direct investment (FDI). The Belneftekhim petrochemical conglomerate, currently under U.S. sanctions, is obliged to secure the most investment of all government entities -- USD 430 million -- including USD 150 million in FDI. The Minsk city government was tasked with the highest target of all local governments, with USD 150 million in total investment sought. Free economic zones are tasked with attracting USD 90 million in total foreign investment.

International Trade

110. Gas Price Hikes to Average 25.3 Percent for 2008

Belarus' Energy Minister Aleksandr Ozerets announced February 15 that the increase in natural gas prices for import from Russia will average 25.3 percent in 2008. As of January 1, the wholesale increase was 19 percent, though the government has only passed a small fraction of the additional cost to consumers. The minister said he is committed to reducing energy costs for certain domestic consumers, but did not specify who will receive subsidies.

11. Quote of the Week

Aleksandr Lukashenko, hinting at his long-dormant democratic leanings while discussing his plans for the next ten years with the Russian media:

"No one is particularly pressing me to leave the position of President or to keep it. It all depends on circumstances. The matter is up to the people to decide - including me. I'll say it directly - I will not needlessly cling to this position. If I am

MINSK 00000132 003 OF 003

strong and healthy, and the people tolerate me, then I will continue to work. If they no longer tolerate me, then of course I will step down, even if I am strong and healthy. In this sense, I am a very ambitious person." $\frac{1}{2} \frac{1}{2} \frac{1}{2$

Stewart